



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approve Renewal of Contract with 3M Media National Advertising Company for City Leased Advertising Billboards

MEETING DATE: February 19, 1997

SUBMITTED BY: City Manager

RECOMMENDED ACTION: That the City Council authorize the City Manager to enter into a 36 month contract with 3M Media National Advertising Company for advertising on the two billboards on Highway-99 at a contract rate of \$1085 per month for the first year and a 3% rate increase per year in years 2 and 3.

That the City Council also authorize the City Manager to enter into a 36 month contract with 3M National Advertising Company for the Highway-12/Victor Road billboard at a contract rate of \$160 per month for the first year and a 3% rate increase per year in years 2 and 3.

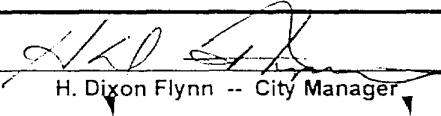
BACKGROUND INFORMATION: Last year the City Council elected to renew the billboard contracts for 12 months only at a monthly rate of \$1085 per sign (large signage on Hwy-99) and at \$160 per sign (small sign on east Hwy-12). The rate included a 5% escalator which 3M typically includes in their renewal contracts. The total cost of the billboard program was \$27,960. However, the Lodi-Woodbridge Winegrape Commission agreed to assume the cost of the Hwy-12 sign, effectively reducing the City's obligation to \$26,040.

Circumstances surrounding the billboard issue appear to be much different than last year. First of all, we have a beautiful new sign whose artwork was designed by a community task force and financed by the Winegrape Commission. Secondly, the Winegrape Commission has effectively expanded Lodi's highway signage program by purchasing a sign equal in size to that which is located on east Hwy-12 at the commission's expense. This sign is located on Hwy-12 just west of Lower Sacramento Road as you enter our fine community. Finally, the community has verbally supported and applauded the quality with which we are advertising our prestigious City.

3M Advertising Company has offered us a 36 month contract with no increase in rate this year and only a 3% escalator per year for years 2 and 3. This would save us the 4% escalator (being charged this year on one year contracts) on a traditional 12 month contract. It would also lock in lower escalators, 3% for years 2 and 3, giving us an average escalator rate of 2% per year for each of the three years. In addition, Lodi Woodbridge Winegrape Commission has again agreed to assume the cost of the east Hwy-12 sign for the next 3 years.

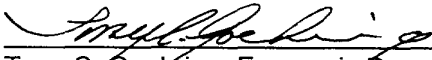
Copies of correspondence and renewal agreements are attached for Council review.

APPROVED: _____


H. Dixon Flynn -- City Manager

FUNDING: Total Cost: \$26,040.00
Community Promotions Account

Respectively submitted,



Tony C. Goehring, Economic Development Coordinator

Prepared by: Tony C. Goehring, Economic Development Coordinator

TG:tg

Attachments

National Advertising Company

2050 W. Fremont
Stockton, CA 95203-1913
209 466 5021
209 466 6013 Fax
800 343 5643

JAN 27 1997

City Manager's Office



Tony Goehring
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

January 22, 1997

Dear Tony,

Here are the options for the City of Lodi's three billboards.

Renew all bulletins with a 4% rate increase this year; or purchase all agreements on a 36 month contract with no rate increase for the first year and a 4% rate increase per year in year 2 and 3. The 36 month agreements just need to be okayed where checked and returned. If the city opts for 12 month agreements, cross out the 36 month rates and escalators. Insert \$1128.00 and 0% for the Hwy 99 bulletins; \$166.00 and 0% for the Hwy 12 bulletins. Then initial all changes and return the agreements in the return envelope. I'll phone you to be sure you received the packet.

Sincerely,

A handwritten signature in cursive script that reads "Dave Spencer /lr".

Dave Spencer
Sales Representative

DS/lr
Encl.

National Advertising Company

2050 W. Fremont
Stockton, CA 95203-1913
209 466 5021
209 466 6013 Fax
800 343 5643



Tony Boehring
City of Lodi
221 W. Pine Street
Lodi, CA 95240

February 5, 1997

FEB 10 1997
City Manager's Office

Tony,

As an incentive for the city to purchase 36 month contracts; we would offer the agreements with a 3% escalator each year in years 2 & 3. This is down from the 4% escalator originally proposed.

Yours Truly,

A handwritten signature in cursive script that reads "Dave Spencer" followed by the initials "IAS".

Dave Spencer

DS/rb

**3M MEDIA
OUTDOOR DISPLAY ADVERTISING AGREEMENT**

CITY OF LODI
LEGAL NAME OF ADVERTISER
CITY OF LODI
Trade Name of Advertiser
221 W. PINE ST.
Mailing Address
LODI, CA 95240
City, State, Zip Code
DIXON FLYNN (209) 333-6700
Advertiser Contact Person Telephone Number

ADVERTISER'S AGENCY
Mailing Address
City, State, Zip Code
Agency Contact Person () Telephone Number

AUTHORIZATION. National Advertising Company, a Delaware corporation, located at 6850 South Harlem Avenue, Bedford Park, Illinois 60501 and doing business as 3M Media ("3M Media") is hereby authorized to secure or reserve advertising space on the display(s) and in the manner listed below, and to place and exhibit advertising copy on those display(s) for the above advertiser and advertiser's agency (jointly and severally "Advertiser"), if any, upon the terms of this contract.

The display(s) shall advertise: CITY OF LODI

Location Number	Location and Description	Approx. Size	Illum. Class See Note 1	Paintings Yearly (Inc. Orig.)	Monthly Unit Charge See Note 2
0040410	E/S 99, .5 MI S/O ARMSTRONG, FS RENEWAL EFF. 3/1/97	12x40	B	1	\$1085.00
					-Total \$1085.00
<p>Note 1: Class "A" displays are non-illuminated, Class "B" displays are to be illuminated daily from dusk until midnight standard time, and Class "C" displays are to be illuminated daily from dusk until dawn.</p> <p>Note 2: All cutouts, embellishments, special pictorials or paintings (e.g., clear coat) and/or blended backgrounds not specifically included in a Monthly Unit Charge will be billed at 3M Media's then current charges. All such charges shall be payable to 3M Media upon completion.</p>					

TERM. The term of this contract shall be 36 months. The term shall begin on the earlier of 3/1/96, or completion of the display(s) ("Effective Date"). 3M Media shall be permitted up to forty-five (45) days from receipt of acceptable final artwork to complete the display(s).

PAYMENT. Advertiser agrees to pay 3M Media monthly in advance the Total Monthly Unit Charge above for display space charges plus applicable taxes, if any, beginning on the Effective Date and continuing throughout the full term of this contract. If the term of this contract is more than twelve (12) months, a 4 % per year increase in the Total Monthly Unit Charge will be applicable to each succeeding twelve (12) month period or portion thereof. All payments are due and payable within thirty (30) days of the invoice date at National Advertising Company, P.O. Box 98829, Chicago, Illinois 60693-8829.

CONTRACT PROVISIONS. 3M Media will provide service to Advertiser upon the terms stated on this page and the Additional Provisions on the reverse hereof. Advertiser has read and fully understands all such terms and provisions.

NATIONAL ADVERTISING COMPANY Acceptance Date: _____ Signature _____ Print Name _____ Title _____		ADVERTISER Date: _____ ✓ Signature _____ Print Name _____ Title _____	
BILLING ADDRESS (if different from above) _____ _____ _____		ADVERTISER'S AGENCY Date: _____ Signature _____ Print Name _____ Title _____	

DAVE SPENCER
3M Media Contact Person (Print Name)

274375
Employee No.

(209) 466-5021
3M Media Local Phone Number

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 CITY OF LODI
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 DIXON FLYNN (209) 333-6700
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ADVERTISER'S AGENCY
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 City, State, Zip Code
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007077	W/S 99, 50' N/O PELTIER RD. FN RENEWAL EFF. 4/1/97	12x40	B	1	\$1085.00
					Total \$ 1085.00
Note 1: Class "A" displays are non-illuminated, Class "B" displays are to be illuminated daily from dusk until midnight standard time, and Class "C" displays are to be illuminated daily from dusk until dawn. Note 2: All cutouts, embellishments, special pictorials or paintings (e.g., clear coat) and/or blended backgrounds not specifically included in a Monthly Unit Charge will be billed at 3M Media's then current charges. All such charges shall be payable to 3M Media upon completion.					

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004540	N/S 12, 2.9 E/O LODI C/L	12x24	A	1	\$160.00
	RENEWAL EFF. 7/16/97				-Total \$160.00
Note 1: Class "A" displays are non-illuminated, Class "B" displays are to be illuminated daily from dusk until midnight standard time, and Class "C" displays are to be illuminated daily from dusk until dawn. Note 2: All cutouts, embellishments, special pictorials or paintings (e.g., clear coat) and/or blended backgrounds not specifically included in a Monthly Unit Charge will be billed at 3M Media's then current charges. All such charges shall be payable to 3M Media upon completion.					

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